

PORTFOLIO BREAK DOWN BY SIZE AT 31 MARCH 2009

	No. of companies	% of portfolio
Small Cap	20	73.4
Mid Cap	1	4.7
Unlisted	2	11.1
Cash		10.8
Total		100.0

ANALYSIS OF HOLDINGS BY SECTOR AT 31 MARCH 2009

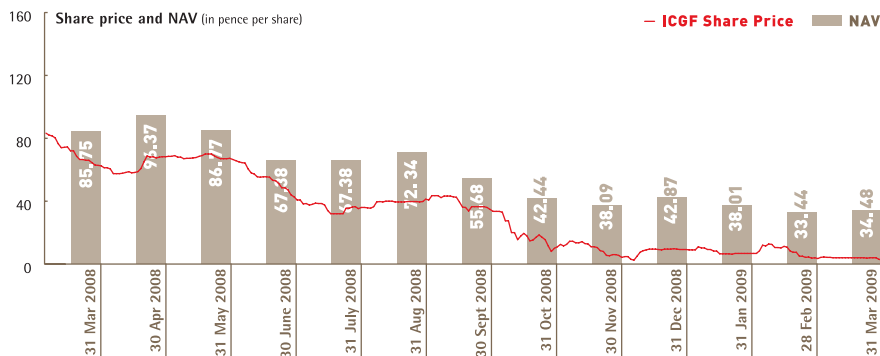
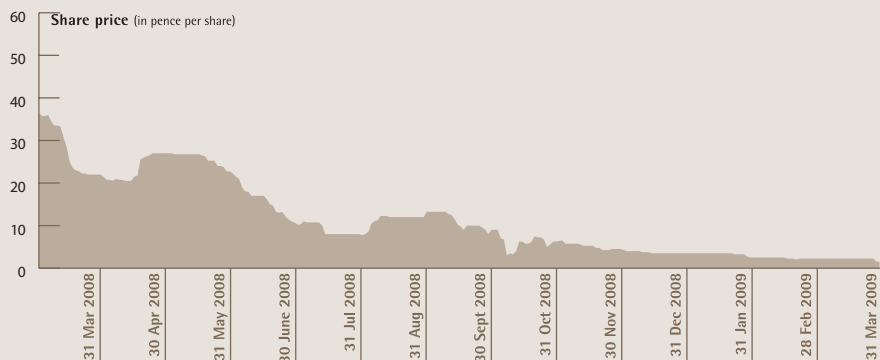
Sector summary	No. of companies	% of portfolio
Financial Services	3	16.4
Textiles	2	16.2
Transportation	2	11.9
Pharmaceutical Services & Packaging	1	8.8
Media	2	8.2
Process controls	1	6.4
Offshore Oil & Gas Services	1	4.7
IT	3	4.6
Housing & Construction	3	4.4
Engineering / Manufacturing	2	3.1
Hotels	1	2.3
Others	2	2.2
Total investments	23	89.2
Net Cash		10.8
Total Portfolio		100.0

TOP 10 HOLDINGS AT 31 MARCH 2009

Holding	Sector	% of portfolio
S. Kumars Nationwide Textiles		11.5
Marwadi Shares and Finance	Financial Services	11.1
Bilcare	Pharma Packaging	8.8
Varun Shipping	Transport	8.8
ICSA India	Process Controls	6.4
Grabal Alok Impex	Textiles	4.7
Great Offshore	Offshore Oil & Gas Services	4.7
Prime Focus	Media	4.4
IOL Netcom	Media	3.8
Bank of Rajasthan	Financial Services	3.7

SHARE PRICE AND NAV AS AT 31 MARCH 2009

Ordinary Shares				Warrants	
Ticker	Share price (p)	NAV per share (undiluted) (p)	NAV per share (diluted) (p)	Ticker	Warrant price (p)
IGC	22.50	34.48	34.48	IGCW	1.50

SHARE PRICE AND NAV PERFORMANCE

WARRANTS

PROGRESS UPDATE

NAV for the month was up 3.1%. While the BSE Sensex was up 9.2%, the BSE Small Cap Index was up 4.5% on the month. The Rupee depreciated 0.5% against Sterling.

FII's were net buyers for the month with net inflow of USD 131.6 million while Domestic mutual funds were net buyers of USD 290 million (1 March 09 to 31 March 09).

The macroeconomic environment in India remains mixed. The RBI announced a further cut in repo and reverse repo rates by 50bp each to 5% and 3.5% respectively and inflation for the week ended March 21, 2009 was reported at 0.31%. However the Index of Industrial Production declined by 0.5% for the month of January and data recently released by the Reserve Bank of India showed that the capital account for the quarter ended 31

December 2008 was negative for the first time since 1998-99 primarily on the back of large portfolio outflows during the period.

While share prices generally have moved up in the month, within the Small Cap sector there is still little discernible direction to the market, and in the ICGF portfolio we have continued to see wide variations in individual stock price movements. There has been little change in the composition of the portfolio, although Brandhouse, the retailing company demerged from S Kumars Nationwide, became listed at the end of the month. Looking ahead, the Indian central government elections (a new parliament is to be constituted on 2 June) and March quarter results (to be released by end April) will be events around which we anticipate the market will experience additional volatility.



THE FUND

The India Capital Growth Fund is a closed ended, Guernsey registered, AIM listed fund established in December 2005, with the objective of generating long-term capital appreciation by investing in small and medium sized companies based in India, both listed and unlisted. The shares are denominated in Pounds Sterling.

ADDITIONAL INFORMATION

Further information can be found on the Company's website at: www.indiacapitalgrowth.com

INVESTMENT OBJECTIVES

The Company's investment objective is to provide long term capital appreciation by investing predominantly in listed small to mid-cap companies with a smaller proportion in unlisted companies. Investment may also be made in large-cap listed Indian companies where the Fund Manager believes long-term capital appreciation will be achieved.

Investment evaluation and selection is based on a bottom-up approach where opportunities are evaluated on a case by case basis. The Fund Manager follows an absolute return focus to investing rather than 'relative-performance' stock picking. The Company may hold liquid assets (including cash) pending deployment in suitable investments. It is the Company's declared policy not to hedge the exposure to the Indian Rupee.

BASIC DATA

Launch date	22nd December, 2005
Listing	Alternative Investment Market, LSE
Domicile	Guernsey
NAV publication	Monthly

CAPITAL STRUCTURE

Ordinary shares in issue	75,000,000
Warrants outstanding	15,000,000
Warrant exercise price	100p
Warrant exercise period	23 April 2009 to 21 May 2009, and subsequently post publication of the annual accounts in 2010 and 2011

BOARD

Robin Nicholson (Acting Chairman)
Jamie Cayzer-Colvin
Ashok Dayal
Andrew Maiden

MANAGER AND FEES

India Investment Partners Limited	30 Buckingham Gate, London SW1E 6NN Tel: +44 207 802 8902 Fax: +44 207 802 8909
Annual Management fee	1.5% of AUM
Performance fee	20% of increase in NAV in excess of 10% compound annual growth in sterling, paid semi-annually and subject to a High Water mark

OTHER ADVISERS

Registrar	Capita IRG (CI) Limited 2nd Floor, No 1 Le Truchot, St Peter Port, Guernsey GY1 4AE
Administrator	Northern Trust International Fund Administration Services (Guernsey) Limited Trafalgar Court, Les Banques, St Peter Port, Guernsey GY1 3QL
NOMAD	Arbuthnot Securities Limited 20 Ropemaker Street, London EC2Y 9AR
CREST Agent	Capita Registrars 34 Beckenham Road, Kent BR3 4TU